

Exhibit A

Exhibit A

Economic and Feasibility Plan Supplement

For Michael and Elizabeth Alves

Case No.: BK-N-11-50606-BTB

Bob Fletcher

8/4/2011

Introduction

This economic and feasibility plan supplement considers the three businesses owned and operated by the Alves family, in conjunction with their personal income from outside sources to generate cash flow, to pay creditors over a five year period. This long form plan was prepared by Robert R. Fletcher, Ph.D., Agricultural Economist, representing the Debtors, Michael and Elizabeth Alves. An application to hire Dr. Fletcher as Debtor's Plan Consultant is pending.

Analyses for this report are based on information acquired either directly or indirectly from Mr. Alves, filed claims and stated assumptions. Since time prohibited personal inspection of the individual properties, Google maps and pictures provided by Mr. Alves were relied upon for visual representation. This plan is signed by and adopted in toto by the Debtors. Except as modified by the Summary Plan, filed herewith, this long form constitutes their Chapter 12 Plan.

This document is divided into three sections. Section 1 quantifies the Debtor's personal income, household expenditures and personal disposable income available for debt repayment. Section 2 provides the economic feasibility of: (a) The 18 acre property located at 8724 Griffith Ave, Hilmar, CA; (b) The Almond Farm, 2900 Villa Manucha Rd, Newman, CA; and (c) Alves Dairy Goat Farm currently being relocated from Fernley, NV to 754 Prince Rd, Newman, CA. Economic feasibility estimates the income, expenses and net farm income generated from these three entities available for debt repayment. Section 3 aggregates the disposable and net farm income available from all sources and estimates the cash flow by month. This provides the funds available by month for distribution among creditors. Because of the number and size of the tables used in this report they are included in a list of tables following the narrative and preceding the references for ease of reading.

1. Personal Income and Expenses

Elizabeth Alves has been employed as a teacher in the Fernley, Nevada School System. With their impending move to Newman, California it is assumed Elizabeth will find employment comparable to the job in Nevada, \$3,000 per month after deductions. Table E1 (See list of tables at end of report) gives the income by source and household expenditures. Michael will receive an estimated \$350 per month payment from the sale of a former business. He will also receive a debtor wage of \$450 per month from the Almond Farm and \$900 per month from the Dairy Goat Farm. There will be \$4,700 per month available for household expenditures for a family of four with two young children.

Household expenses are based on the Consumer Expenditure Survey [Ref 1]. Adjustments were made for child care and car costs for Elizabeth to continue employment. The difference between the personal income and household expenses is \$175 per month. This leaves \$2,100 disposable income on an annual basis.

2. Economic Feasibility

Almond Farm

This 20 acre property was purchased by Michael Alves in June, 2005. At time of purchase the 18 acres of farm land was producing feed and vegetable crops under flood irrigation. In early 2006 Mr. Alves planted almond trees and installed a micro sprinkler irrigation system. Water costs are reduced with this capital expenditure for a more efficient sprinkler system, as well as reducing labor and equipment costs by allowing fertilizer to be applied with the irrigation water.

The almond trees are in their 6th leaf of production. Assumed production for the 2011 crop is 1,800 lbs per acre with production increasing to 2,000 lbs per acre during the remaining four years of the plan [Tab C1]. Being a new orchard, there are no historical records of annual expenses for the prime almond producing years. The expenses shown in table C1 are based on a University of California Cooperative Extension publication, Sample Costs to Establish an Orchard and Produce Almonds, San Joaquin Valley North, Micro Sprinkler Irrigation, 2006 and updated in 2011 [Ref 3]. The California cash costs did not include an allowance for owner/operator labor. A debtor wage of \$450 per month is included in total expenses, Tables C1 and C2.

The estimated income from the 2011 almond crop is \$64,800 with cash expenses of \$44,478 generating \$20,322 net farm income. There is a lag time between when the almond crop is harvested and delivered, late August and September, and when payments are received. Income is assumed to be received: December of the production year, 20%; February of the following year, 20%; April, 20%; and the balance in July after the final price of almond has been established. Almond prices fluctuate with supply and the export market. Reported almond prices have ranged from a low of \$0.85 to a high of \$3.96 per pound over the past 10 years. A price of \$2.00 per pound was assumed over the five years in this analysis. The 2006 California study used a \$2.00 price but the 2011 report reduced the price to \$1.50 in 2010.

The California study estimated an average almond yield of 2,000 pounds per acre for the 7th and subsequent years and was assumed to apply to the Alves orchard. Table C2 gives the estimated income, expenses and net farm income, \$27,522 for the 2nd year of the plan (Sept. 2012 –August 2013) and beyond. The expenses and consequently net farm income are based on cash expenses and do not allow recapture of the capital costs of developing the orchard and the first five non-producing and low producing years.

The farm house occupies two acres and is rented for \$850 per month with a one year lease. After deducting expenses for taxes, insurance and maintenance, the net income for the house is \$7,317 per year held constant over the five year plan. The combined net farm income from the almond orchard and rental house is \$27,639 for the first year and \$34,839 for the remaining four years.

The estimated value of this almond farm is based on the value of the almond orchard and the two acres occupied by the rental house and out buildings. The assumed value for the almond

orchard is \$14,000 per acre, or \$252,000. (The California Extension study estimated \$12,632 for a producing acre of almonds.) The value of the house is based on Zillow estimate of \$121,000, for a total value of \$373,000.

Hilmar Rental Property

The Hilmar has 18 acres, with 16 acres of farm land leased for \$300 per acre. A \$4,800 pre payment is received December 31st for the following years' rent. There is a two acre farmstead with a rental house, shop and storage that is currently leased to a small trucking company for \$2,000 per month. This lease has recently been renewed for three years with a reduction in rent from \$2,250. The write down in rent was necessary to keep the tenant, a reflection of the economic recession and declining real estate values. Hilmar expenses include \$3,600 in property taxes paid semi-annually in February and September [Tab B1]. Water for irrigation is \$800 annual paid in December. All other expenses are distributed uniformly over 12 months. After all expenses are paid, Hilmar generates \$21,618 to fund the plan.

The estimated value of the Hilmar rental property is based on 16 acres of flood irrigated farm land and the rental house and other buildings. The assumed value for the farm land is \$9,000 per acre or \$144,000. The value of the house is based on Zillow estimate of \$129,000 for a total value of \$273,000.

Dairy Goat Farm

November 1st, 2007 Michael and Elizabeth Alves began doing business as the Alves Goat Dairy in a leased facility approximately nine miles from Fernley, Nevada. They entered into a contract with Laura Chenel's Chevre to purchase their goat milk to make goat cheese.

In December they purchased over 500 milking goats and 122 bred yearling goats. They encountered disease problem with some of the goats early on. Harsh weather conditions in 2008 and 2009 and open housing facilities for the goats resulted in a higher than average death loss. Large capital outlay for the purchase of milking goats, coupled with a higher than average death loss and high feed prices have resulted in the Goat Dairy being unprofitable at this time. This has created a cash flow problem.

Arrangements are being made to relocate the Alves Goat Dairy to a leased facility at 754 Prince Rd, Newman, CA. The necessary inspections have been made with final approval expected on the 3rd of August. A three year lease agreement for \$3,500 per month should be signed no later than the 4th of August. This facility will provide covered shelter for the entire goat herd. This should reduce the death loss and increase milk production. All goats will be fed under shelter which will minimize the amount of feed wasted. Feed loss can make the difference between being profitable and unprofitable in the dairy goat industry. The milk/feed ratio at the Fernley facility is approximately 2.0, which means for each \$1.00 of milk sales, \$0.50 is used to purchase feed. This number should drop down to \$.045 or less in the new facility. The new facility is larger and will accommodate a larger number of animals for future growth. Mr. Alves has indicated he would like to expand to 1,000 milking goats.

Goat Dairy Income and Expenses

Historical data for income and expenses were not considered reliable because of the adverse weather conditions and high death loss that impacted production over the last two years. A study published by the University of California Cooperative Extension, Sample Costs for a 500 Dairy Goat Operation, Milk for Cheese Production in the North Coast, 2005 [Ref 4] was used as a guide and proxy data as needed. Assumptions for dairy goat production, income and expenses are included in Tables D1 through D8. Tables were separated from the narrative for ease of reading and comparisons. Tables D1–D5 gives the estimated income, expenses and net farm income by month for each of the five years of the plan. Table D6 details the feed costs by year and number of milking goats. Table D7 shows the operating margin, the amount of money available for operating expenses after feed costs are subtracted from income, and details cash operating expenditures by month. Table D8 gives the assumptions for goat milk and goat meat sales and how they are distributed by month over the five year plan.

This plan assumes the Goat Dairy will increase production over the five years of the plan by: (1) adding 75 milking goats in years 3 and 4 and 100 in the 5th year; increasing production per goat from 195 gallons in the 1st year to 198 gallons in the second year and 200 gallons in years three through five; price per gallon is \$3.02 the first year \$3.05 the second year and \$3.08 in years three, four and five. The California Study using 195 gallons per goat and a \$3.40 price per gallon. That price may be attainable for the Alves Goat Dairy with better quality control in the California location. Net farm income from the Goat Dairy (Tab D1-D5) is \$17,466 in year one and increases incrementally to \$85,328 in the fifth year. Goats are seasonal breeders reflected in milk production which affects the distribution of income and net farm income. Net farm income is greater in the warmer months and negative in the winter months.

Estimated Goat Liquidation Value

Having not been active in livestock marketing for the last 20 years, I would not make a personal estimate of value. The alternative is to rely on industry professionals and their published reports and academic studies. The basic problem with determining a value for a milking goat herd is the market is very thin if one even exists. Other classes of livestock, beef cattle, dairy cattle, swine, and sheep can be followed by weekly market reports. There are very few market reports for goats and none of those include milking goats.

Commercial dairy goat farmers raise their own replacements and seldom purchase lactating goats. There are three reasons commercial rely almost entirely on raising their own replacements; genetics, disease and economics. Goat producer build herd quality by purchasing high quality bucks. Properly controlled line breeding with quality bucks is most commonly used with commercial goat dairies. Different diseases are a problem with dairy goat producers which make them reluctant to introduce new goats into the herd. Economics is the primary reason dairy goat producers raise their own replacements. Goats can breed as young as seven months of age, but most are bred no younger than 10 to 12 months and will be in the milking string when they are 15 to 18 months old. Milking goats are culled for various reasons but most have been sold by the sixth year.

The California study does not value milking goats as their survey indicated the goat herds are maintained by raising their own replacements. If the Alves milking goats were sold they would most likely be sold through a livestock auction. Their goats are priced by age and weight. Milking goats would be competing with the heavier meat goats and priced accordingly. Lactating or wet goats would be discounted because of weight and conditioning. The California study uses sale prices of \$85 per head for cull and sale Does, \$100 for cull Bucks, \$15 for small Kids and \$1 for baby kids (which are usually given away). The auction charges commission approximating 13.5% of total sales plus there would be a hauling cost depending on distance. The Tulare County Stock Yards in Dinuba, California charge a 10% selling commission with a minimum of \$7.00 per head on sheep and goats. They also have a yardage charge of \$1.00 per head and a feed charge of \$1.00 per head per day. The Escalon Livestock Market in Escalon, California, Mr. Alves sells his goats have a different method of charging commission but it averages approximately 13.5% of his total sales. Trucking costs from Fernley Nevada to a California market would likely be based total weight, but would exceed \$1.00 per head. The following table is based on the California study cull prices, a 13.0% total commission and \$1.00 per head trucking cost.

Alves Goat, Inventory, Estimated Value and Selling Expenses

<u>Category</u>	<u>Number</u>	<u>Value</u>	<u>Gross</u>	<u>Commission</u>	<u>Trucking</u>	<u>Net</u>
Milking Goats	698	85.00	59,330.00	7,712.90	698.00	50,919.10
Pregnant Does	103	85.00	8,755.00	1,138.15	103.00	7,513.85
Dry Open Does	27	85.00	2,295.00	298.35	27.00	1,969.65
Dry Open Yearlings	84	65.00	5,460.00	709.80	84.00	4,666.20
Does (5-11 months)	136	30.00	4,080.00	530.40	136.00	3,413.60
Doe Kids	171	15.00	2,565.00	333.45	171.00	2,060.55
Buck Kids	63	5.00	315.00	40.95	63.00	211.05
Bucks	24	100.00	2,400.00	312.00	24.00	2,064.00
Total	1,306		85,200.00	11,076.00	1,306.00	72,818.00

These estimates would apply to a going out of business or liquidation sale. With six months to a year lead time a new dairy goat producer just establishing a herd may be located. Even then a prudent individual would not pay more than the cost of building a herd by buying yearlings and growing herd plus the difference in net profits over the first two years. There are a very limited number of dairy goat producers in Nevada. There are approximately 40 commercial dairy goat farms in the San Joaquin Valley in California with herd size ranging from 150-1,200 head [Ref 4]. There would be an adequate supply of young does available for sale to start a new herd.

The current Alves goat dairy milking goats are mostly young 2 to 4 years old. The older and heavier goats 5 to 7 years of age have already been culled according to Mr. Alves. Auction barn receipts for all goats sold by Alves Goat Dairy in 2010 and 2011 was requested and sent by fax. Unfortunately, not all the transmissions were legible. One example was a sale of 19 nannies on August 27, 2010 with total sales of \$994.50 and deductions of \$138.64 for net check of \$855.85.

Given the limited market for milking goats this is considered the best alternative to estimating fair market value of the Alves goat herd. To avoid the cost of maintaining the herd, a chapter 7 trustee

would likely sell the goats quickly. I doubt the trustee would receive more than \$73,000 for all of Debtors' goats.

3. Net Farm Income

Disposable income from the four sources is aggregated and labeled net farm income in tables A1-A5 representing each year of the plan. This is amount of money available to pay creditors. Table A6 gives the total net farm income for the five years. The net farm income is \$68,823 in the first year and increased to \$136,685 in the fifth year and totals \$494,485 over the five year period. The seasonality of the income received, which is typical in the agricultural industry, makes most of the net farm income available in the summer months and limits cash flow in the winter months. It would be preferable to amortize real estate payments on an annual basis.

Dated: August 4, 2011

/s/Michael G. Alves

Michael G Alves, Debtor

/s/Elizabeth Alves

Elizabeth Alves, Co-Debtor

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Economic and Feasibility Plan Supplement

These Tables go with the Michael and Elizabeth Alves Plan Supplement

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Alves Net Farm Income Tables - A

Table A1 - Alves Disposable and Net Farm Income by Month, Year 1

Year 1, September 2011 through August 30, 2012

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Hilmar Rental Disp. Inc.	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618
Almonds Net Farm Inc.	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639
Dairy Net Farm Inc.	11,468	4,924	(4,237)	(10,781)	(13,929)	(14,707)	(9,472)	(4,760)	3,616	14,086	21,938	19,321	17,466
Total Net Farm Inc.	5,318	3,964	(4,576)	5,340	(14,552)	(4,172)	(10,095)	7,075	2,993	13,461	47,235	16,833	68,823

Table A2 - Alves Disposable and Net Farm Income by Month, Year 2

Year 2, September 2012 through August 30, 2013

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Hilmar Rental Disp. Inc.	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618
Almonds Net Farm Inc.	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639
Dairy Net Farm Inc.	12,479	5,781	(3,596)	(10,294)	(13,516)	(14,313)	(8,955)	(4,132)	4,441	15,158	23,196	20,517	26,766
Total Net Farm Inc.	6,329	4,821	(3,935)	5,827	(14,139)	(3,778)	(9,578)	7,703	3,818	14,533	48,493	18,029	78,123

Table A3 - Alves Disposable and Net Farm Income by Month, Year 3

Year 3, September 2013 through August 30, 2014

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Hilmar Rental Disp. Inc.	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618
Almonds Net Farm Inc.	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639
Dairy Net Farm Inc.	15,348	7,817	(2,726)	(10,257)	(13,880)	(14,776)	(8,751)	(3,329)	6,311	18,360	27,398	24,385	45,900
Total Net Farm Inc.	9,198	6,857	(3,065)	5,864	(14,503)	(4,241)	(9,374)	8,506	5,688	17,735	52,695	21,897	97,257

Table A4 - Alves Disposable and Net Farm Income by Month, Year 4

Year 4, September 2014 through August 30, 2015

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Hilmar Rental Disp. Inc.	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618
Almonds Net Farm Inc.	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639
Dairy Net Farm Inc.	17,861	9,578	(2,019)	(10,303)	(14,287)	(15,273)	(8,646)	(2,682)	7,921	21,175	31,115	27,801	62,240
Total Net Farm Inc.	11,711	8,618	(2,358)	5,818	(14,910)	(4,738)	(9,269)	9,153	7,298	20,550	56,412	25,313	113,597

Table A5 - Alves Disposable and Net Farm Income by Month, Year 5

Year 5, September 2015 through August 30, 2016

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Hilmar Rental Disp. Inc.	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618
Almonds Net Farm Inc.	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639
Dairy Net Farm Inc.	21,283	12,021	(947)	(10,209)	(14,665)	(15,767)	(8,357)	(1,688)	10,168	24,988	36,103	32,398	85,328
Total Net Farm Inc.	15,133	11,061	(1,286)	5,912	(15,288)	(5,232)	(8,980)	10,147	9,545	24,363	61,400	29,910	136,685

Table A6 - Alves Disposable and Net Farm Income by Month for 5 Year Plan

5 Year Plan, September 2011 through August 30, 2016

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Personal Disp. Inc.	875	875	875	875	875	875	875	875	875	875	875	875	10,500
Hilmar Rental Disp. Inc.	(335)	9,375	9,375	29,375	8,665	(340)	8,665	8,660	8,665	8,660	8,665	8,660	108,090
Almonds Net Farm Inc.	(31,290)	(15,050)	(11,945)	50,355	(12,655)	52,140	(12,655)	49,640	(12,655)	(12,660)	116,945	(21,975)	138,195
Dairy Net Farm Inc.	78,439	40,121	(13,526)	(51,844)	(70,277)	(74,835)	(44,180)	(16,591)	32,457	93,767	139,749	124,422	237,700
Total Net Farm Inc.	47,689	35,321	(15,221)	28,761	(73,392)	(22,160)	(47,295)	42,584	29,342	90,642	266,234	111,982	494,485

Hilmar Property Table - B

Table B1 - Hilmar Property Income, Expenses and Disposable Income

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income													
Rental House	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Farm Land (Lease)				4,800									4,800
Total Income	2,000	2,000	2,000	6,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	28,800
Expenses													
Taxes	1,800					1,800							3,600
Water				800									800
Insurance	142				142	143	142	143	142	143	142	143	1,282
Repairs & Maintenance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Legal & Accounting	25	25	25	25	25	25	25	25	25	25	25	25	300
Total Expenses	2,067	125	125	925	267	2,068	267	268	267	268	267	268	7,182
Disposable Income	(67)	1,875	1,875	5,875	1,733	(68)	1,733	1,732	1,733	1,732	1,733	1,732	21,618

Almond Farm Tables - C

Table C1 - Almond Farm Income, Expenses and Net Farm Income, by Month, Year 1

Year 1, September 2011 through August 30, 2012

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Rental Income	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Rental Expenses													
Taxes				500				500					1,000
Insurance	143				142	143	142	143	142	143	142	143	1,283
Repairs	50	50	50	50	50	50	50	50	50	50	50	50	600
Total Rental Exp	193	50	50	550	192	193	192	693	192	193	192	193	2,883
Net Rental Income	657	800	800	300	658	657	658	157	658	657	658	657	7,317
Almond Income				12,960		12,960		12,960			25,920		64,800
Almond Expenses	6,915	3,810	3,189	3,189	3,189	3,189	3,189	3,189	3,189	3,189	3,189	5,052	44,478
Net Almond Income	(6,915)	(3,810)	(3,189)	9,771	(3,189)	9,771	(3,189)	9,771	(3,189)	(3,189)	22,731	(5,052)	20,322
Net Farm Income	(6,258)	(3,010)	(2,389)	10,071	(2,531)	10,428	(2,531)	9,928	(2,531)	(2,532)	23,389	(4,395)	27,639

Table C2 - Almond Farm Income, Expenses and Net Farm Income, by Month, Years 2-5

Years (4) September 2012 through August 30, 2016

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Rental Income	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Rental Expenses													
Taxes				500				500					1,000
Insurance	143				142	143	142	143	142	143	142	143	1,283
Repairs	50	50	50	50	50	50	50	50	50	50	50	50	600
Total Rental Exp	193	50	50	550	192	193	192	693	192	193	192	193	2,883
Net Rental Income	657	800	800	300	658	657	658	157	658	657	658	657	7,317
Almond Income				14,400		14,400		14,400			28,800		72,000
Almond Expenses	6,915	3,810	3,189	3,189	3,189	3,189	3,189	3,189	3,189	3,189	3,189	5,052	44,478
Net Almond Income	(6,915)	(3,810)	(3,189)	11,211	(3,189)	11,211	(3,189)	11,211	(3,189)	(3,189)	25,611	(5,052)	27,522
Net Farm Income	(6,258)	(3,010)	(2,389)	11,511	(2,531)	11,868	(2,531)	11,368	(2,531)	(2,532)	26,269	(4,395)	34,839

Dairy Goat Farm Tables - D

Table D1 - Goat Farm Income, Expenses and Net Farm Income by Month, Year 1

Year 1, September 2011 through August 30, 2012

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income	47,115	40,571	31,410	24,866	21,718	20,940	26,175	30,887	39,263	49,733	57,585	54,968	445,230
Expenses													
Feed Costs	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	228,384
Operating Costs	16,615	16,615	16,615	16,615	16,615	16,615	16,615	16,615	16,615	16,615	16,615	16,615	199,380
Total Cash Expenses	35,647	35,647	35,647	35,647	35,647	35,647	35,647	35,647	35,647	35,647	35,647	35,647	427,764
Net Farm Income	11,468	4,924	(4,237)	(10,781)	(13,929)	(14,707)	(9,472)	(4,760)	3,616	14,086	21,938	19,321	17,466

Table D2 - Goat Farm Income, Expenses and Net Farm Income by Month, Year 2

Year 2, September 2012 through August 30, 2013

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income	48,226	41,528	32,151	25,453	22,231	21,434	26,792	31,615	40,188	50,905	58,943	56,264	455,730
Expenses													
Feed Costs	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	19,032	228,384
Operating Costs	16,715	16,715	16,715	16,715	16,715	16,715	16,715	16,715	16,715	16,715	16,715	16,715	200,580
Total Cash Expenses	35,747	35,747	35,747	35,747	35,747	35,747	35,747	35,747	35,747	35,747	35,747	35,747	428,964
Net Farm Income	12,479	5,781	(3,596)	(10,294)	(13,516)	(14,313)	(8,955)	(4,132)	4,441	15,158	23,196	20,517	26,766

Table D3 - Goat Farm Income, Expenses and Net Farm Income by Month, Year 3

Year 3, September 2013 through August 30, 2014

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income	54,223	46,692	36,149	28,618	24,995	24,099	30,124	35,546	45,186	57,235	66,273	63,260	512,400
Expenses													
Feed Costs	21,320	21,320	21,320	21,320	21,320	21,320	21,320	21,320	21,320	21,320	21,320	21,320	255,840
Operating Costs	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	210,660
Total Cash Expenses	38,875	38,875	38,875	38,875	38,875	38,875	38,875	38,875	38,875	38,875	38,875	38,875	466,500
Net Farm Income	15,348	7,817	(2,726)	(10,257)	(13,880)	(14,776)	(8,751)	(3,329)	6,311	18,360	27,398	24,385	45,900

Table D4 - Goat Farm Income, Expenses and Net Farm Income by Month, Year 4

Year 4, September 2014 through August 30, 2015

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income	59,641	51,358	39,761	31,477	27,493	26,507	33,134	39,098	49,701	62,955	72,895	69,581	563,600
Expenses													
Feed Costs	23,447	23,447	23,447	23,447	23,447	23,447	23,447	23,447	23,447	23,447	23,447	23,447	281,364
Operating Costs	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	18,333	219,996
Total Cash Expenses	41,780	41,780	41,780	41,780	41,780	41,780	41,780	41,780	41,780	41,780	41,780	41,780	501,360
Net Farm Income	17,861	9,578	(2,019)	(10,303)	(14,287)	(15,273)	(8,646)	(2,682)	7,921	21,175	31,115	27,801	62,240

Table D5 - Goat Farm Income, Expenses and Net Farm Income by Month, Year 5

Year 5, September 2015 through August 30, 2016

<u>Source</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Income	66,689	57,427	44,459	35,197	30,741	29,639	37,049	43,718	55,574	70,394	81,509	77,804	630,200
Expenses													
Feed Costs	26,244	26,244	26,244	26,244	26,244	26,244	26,244	26,244	26,244	26,244	26,244	26,244	314,928
Operating Costs	19,162	19,162	19,162	19,162	19,162	19,162	19,162	19,162	19,162	19,162	19,162	19,162	229,944
Total Cash Expenses	45,406	45,406	45,406	45,406	45,406	45,406	45,406	45,406	45,406	45,406	45,406	45,406	544,872
Net Farm Income	21,283	12,021	(947)	(10,209)	(14,665)	(15,767)	(8,357)	(1,688)	10,168	24,988	36,103	32,398	85,328

Table D6 - Feed Cost for Dairy Goats

Years 1 and 2 Feed Costs for 700 Dairy Goat Farm

	<u>Unit</u>	<u>Units</u>	<u>Cost/Unit</u>	<u>Annual</u>	<u>Monthly</u>
Mineral Block	Block	140	8	1,148	96
Alfalfa Hay	Ton	470	250	117,500	9,792
Oat/Grass Hay	Ton	200	120	24,000	2,000
Dry Minerals	Ton	2	380	570	48
Mixed Grain & Pellets	Ton	240	320	76,800	6,400
Kid Grain	Ton	22	200	4,480	373
Calf Milk Replacer	Sack	56	43	2,380	198
Bedding	Ton	30	50	<u>1,500</u>	<u>125</u>
Total Feed Costs				228,378	19,032

Year 3 Feed Costs for 775 Dairy Goat Farm

	<u>Unit</u>	<u>Units</u>	<u>Cost/Unit</u>	<u>Annual</u>	<u>Monthly</u>
Mineral Block	Block	154	8	1,263	105
Alfalfa Hay	Ton	517	250	129,250	10,771
Oat Hay	Ton	220	140	30,800	2,567
Dry Minerals	Ton	2	380	760	63
Mixed Grain & Pellets	Ton	264	320	84,480	7,040
Kid Grain	Ton	25	200	5,000	417
Calf Milk Replacer	Sack	62	43	2,635	220
Bedding	Ton	33	50	<u>1,650</u>	<u>138</u>
Total Feed Costs				255,838	21,320

Year 4 Feed Costs for 850 Dairy Goat Farm

	<u>Unit</u>	<u>Units</u>	<u>Cost/Unit</u>	<u>Annual</u>	<u>Monthly</u>
Mineral Block	Block	169	8	1,386	115
Alfalfa Hay	Ton	569	250	142,250	11,854
Oat Hay	Ton	242	140	33,880	2,823
Dry Minerals	Ton	2	380	760	63
Mixed Grain & Pellets	Ton	290	320	92,800	7,733
Kid Grain	Ton	28	200	5,600	467
Calf Milk Replacer	Sack	68	43	2,890	241
Bedding	Ton	36	50	<u>1,800</u>	<u>150</u>
Total Feed Costs				281,366	23,447

Year 5 Feed Costs for 950 Dairy Goat Farm

	<u>Unit</u>	<u>Units</u>	<u>Cost/Unit</u>	<u>Annual</u>	<u>Monthly</u>
Mineral Block	Block	189	8	1,550	129
Alfalfa Hay	Ton	637	250	159,250	13,271
Oat Hay	Ton	271	140	37,940	3,162
Dry Minerals	Ton	2	380	760	63
Mixed Grain & Pellets	Ton	325	320	104,000	8,667
Kid Grain	Ton	31	200	6,200	517
Calf Milk Replacer	Sack	76	43	3,230	269
Bedding	Ton	40	50	<u>2,000</u>	<u>167</u>
Total Feed Costs				314,930	26,244

Table D7 - Dairy Monthly and Annual Operating Costs

Average Income /Month	<u>Sep 11-Oct 12</u>		<u>Sep 12-Oct 13</u>		<u>Sep 13-Oct 14</u>		<u>Sep 20-Oct 15</u>		<u>Sep 15-Oct 16</u>	
<u>Cash Expenses</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>
<u>Feed Costs</u>	19,032	228,384	19,032	228,384	21,320	255,840	23,447	281,364	26,244	314,928
<u>Operating Margin</u>	18,071	216,852	18,946	227,352	21,380	256,560	23,520	282,240	26,273	315,276
<u>Milk-Feed Ratio</u>	1.95		2.00		2.00		2.00		2.00	
<u>Operating Expenses</u>										
Lease (Farm)	3,500	42,000	3,500	42,000	3,500	42,000	3,500	42,000	3,500	42,000
Labor (Debtor Wage)	900	10,800	900	10,800	900	10,800	900	10,800	900	10,800
Hired Labor	5,000	60,000	5,000	60,000	5,500	66,000	6,000	72,000	6,500	78,000
Payroll Exp (FICA)?	750	9,000	750	9,000	825	9,900	900	10,800	975	11,700
Contract Hire	400	4,800	400	4,800	400	4,800	400	4,800	400	4,800
Truck	350	4,200	350	4,200	350	4,200	350	4,200	350	4,200
Inspections	30	360	30	360	35	420	38	456	42	504
Power	800	9,600	800	9,600	800	9,600	800	9,600	800	9,600
Garbage	80	960	80	960	80	960	80	960	80	960
Propane	450	5,400	450	5,400	450	5,400	450	5,400	450	5,400
Telephone	180	2,160	180	2,160	180	2,160	180	2,160	180	2,160
Fuel	850	10,200	850	10,200	850	10,200	850	10,200	850	10,200
Chemicals	250	3,000	250	3,000	250	3,000	250	3,000	250	3,000
Supplies	100	1,200	100	1,200	125	1,500	130	1,560	135	1,620
Repairs	200	2,400	300	3,600	400	4,800	500	6,000	600	7,200
Medicine	150	1,800	150	1,800	150	1,800	150	1,800	150	1,800
Vet and Vet related	900	10,800	900	10,800	1,010	12,120	1,080	12,960	1,200	14,400
Loader	300	3,600	300	3,600	300	3,600	300	3,600	300	3,600
Feed Wagon	275	3,300	275	3,300	275	3,300	275	3,300	275	3,300
Tractor Lease	450	5,400	450	5,400	450	5,400	450	5,400	450	5,400
Trucking	100	1,200	100	1,200	100	1,200	100	1,200	100	1,200
Insurance & Taxes	200	2,400	200	2,400	225	2,700	250	3,000	275	3,300
Contingent Expenses	400	4,800	400	4,800	400	4,800	400	4,800	400	4,800
Operating Expenses	16,615	199,380	16,715	200,580	17,555	210,660	18,333	219,996	19,162	229,944
Total Cash Expenses	35,647	427,764	35,747	428,964	38,875	466,500	41,780	501,360	45,406	544,872
Net Farm Inc	1,456	17,472	2,231	26,772	3,825	45,900	5,187	62,244	7,111	85,332

Table D8 - Dairy Goat Milk and Meat Sales by Year

Year	Number		Gallons		Price	Milk		Meat	Total		Average		lbs	
	<u>Goats</u>	<u>Goat</u>	<u>Total</u>	<u>Gallon</u>	<u>\$</u>	<u>Sales</u>	<u>Sales</u>	<u>Income</u>	<u>Month</u>	<u>Inc</u>	<u>Month</u>	<u>Inc</u>	<u>Goat</u>	<u>Goat</u>
2011-12	700	195	136,500	3.02	412,230	33,000	33,000	445,230	37,103	1,677				
2012-13	700	198	138,600	3.05	422,730	33,000	33,000	455,730	37,978	1,703				
2013-14	775	200	155,000	3.08	477,400	35,000	35,000	512,400	42,700	1,720				
2014-15	850	200	170,000	3.08	523,600	40,000	40,000	563,600	46,967	1,720				
2015-16	950	200	190,000	3.08	585,200	45,000	45,000	630,200	52,517	1,720				
Distribution	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>	<u>Monthly Average</u>
	10.58%	9.11%	7.05%	5.59%	4.88%	4.70%	5.88%	6.94%	8.82%	11.17%	12.93%	12.35%	100.00%	37,103
	47,115	40,571	31,410	24,866	21,718	20,940	26,175	30,887	39,263	49,733	57,585	54,968	445,230	37,103
	48,226	41,528	32,151	25,453	22,231	21,434	26,792	31,615	40,188	50,905	58,943	56,264	455,730	37,978
	54,223	46,692	36,149	28,618	24,995	24,099	30,124	35,546	45,186	57,235	66,273	63,260	512,400	42,700
Yr 4	59,641	51,358	39,761	31,477	27,493	26,507	33,134	39,098	49,701	62,955	72,895	69,581	563,600	46,967
Yr 5	66,689	57,427	44,459	35,197	30,741	29,639	37,049	43,718	55,574	70,394	81,509	77,804	630,200	52,517

Michael & Elizabeth Personal Table - E

Table E1 - Michael and Elizabeth Personal Income, Expenses and Disposable Income

Source	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
<u>Personal Income</u>													
Elizabeth, Salary	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
*Michael, Note	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Michael, Almond Farm	450	450	450	450	450	450	450	450	450	450	450	450	5,400
Michael, Dairy Farm	900	900	900	900	900	900	900	900	900	900	900	900	10,800
Total Personal Income	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	56,400
<u>Personal Expenditures</u>													
<u>Housing</u>													
Propane	200	200	200	200	200	200	200	200	200	200	200	200	2,400
TV	75	75	75	75	75	75	75	75	75	75	75	75	900
Internet Service	60	60	60	60	60	60	60	60	60	60	60	60	720
Telephone	90	90	90	90	90	90	90	90	90	90	90	90	1,080
Household Supplies	65	65	65	65	65	65	65	65	65	65	65	65	780
Furniture	40	40	40	40	40	40	40	40	40	40	40	40	480
Appliances and Equipment	50	50	50	50	50	50	50	50	50	50	50	50	600
Repairs and Maintenance	75	75	75	75	75	75	75	75	75	75	75	75	900
<u>Insurance</u>													
Health (Dependents)	330	330	330	330	330	330	330	330	330	330	330	330	3,960
Car	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Life	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Renters Liability	20	20	20	20	20	20	20	20	20	20	20	20	240
Food	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Clothing (Inc Diapers)	400	400	400	400	400	400	400	400	400	400	400	400	4,800
<u>Transportation</u>													
Registration	25	25	25	25	25	25	25	25	25	25	25	25	300
Car Payments	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Gas	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Service	20	20	20	20	20	20	20	20	20	20	20	20	240
Repairs (Tires inc)	50	50	50	50	50	50	50	50	50	50	50	50	600
Child Care	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Medical (Co-Pays)	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Miscellaneous	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Total Expenditures	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	4,525	54,300
Disposable Income	175	175	175	175	175	175	175	175	175	175	175	175	2,100

*Payments are in arrears, partial payments used

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[2] **Table 4--Indexes of Prices Received and Paid by Farmers, U.S. Average**

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[3] **SAMPLE COSTS TO ESTABLISH AN ORCHARD AND PRODUCE ALMONDS
SAN JOAQUIN VALLEY NORTH - MICRO SPRINKLER IRRIGATION 2005 & 2011**

UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION,

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[4] **SAMPLE COSTS FOR A 500 DAIRY GOAT OPERATION**

Milk for Cheese Production in the North Coast

UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION 2005 GT-NC-05-R ANR Revised #7, 8/29/06

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<http://coststudies.ucdavis.edu/files/dairygoatsnc05r.pdf> GT-NC-05-R ANR Revised #7, 8/29/06

SAMPLE COSTS FOR A GOATS FOR MEAT OPERATION in Northern California

UNIVERSITY OF CALIFORNIA - COOPERATIVE EXTENSION, 2010 GT-NC-10

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